

To: Card, Joan[Card.Joan@epa.gov]
Cc: Morales, Monica[Morales.Monica@epa.gov]; Dresser, Chris[Dresser.Chris@epa.gov]; Beeler, Cindy[Beeler.Cindy@epa.gov]; O'Connor, Darcy[oconnor.darcy@epa.gov]; Garcia, Bert[Garcia.Bert@epa.gov]
From: Rothery, Deirdre
Sent: Wed 6/8/2016 12:36:08 PM
Subject: RE: U&O FIP - talking points

Hi Joan,

As requested, I am sending some talking points for Janet below. These are the ones Shaun used in the meeting/VTC with Utah Gov. and industry on 3/23. I think they will work well for Janet's discussion with OMB, however, please let me know if you need anything additional. Please note, I am in Philly this week at a meeting, so I am checking email as the schedule allows. Thanks, Dee

Air Quality/Public Health:

- Our preliminary 3-year design value for Ozone in the Basin is 81 ppb, based on 2014-16 data. The Ozone NAAQS is 70.
- During the February 2016 inversion, we saw 8 hour ozone values in the basin as high as 120 ppb. This is a very high level that is representative of very unhealthy air quality.

Role of Emissions from Oil & Gas Facilities on U&O

- About 92% of (non-biogenic) VOCs in the Uinta Basin are from oil & gas operations and 80% of those VOCs are from sources in Indian country.
- Based on operator-submitted source registration data, more than 95% of sources in Indian country within the Uinta Basin are not currently regulated. These minor sources emit 98% of the VOCs on Indian country in the Basin and total about 63,000 tons per year (tpy). Again, 95% of sources on the U&O Reservation are not currently regulated.
- This is in contrast to oil and gas operations on state lands that have to meet minor source permitting requirements.

- National oil and gas rules will not specifically address air quality issues in Indian Country, because they do not address emissions from existing sources. However, EPA does have the authority to develop an area-specific rule if needed.

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Goals of a FIP

- Development of a Reservation-specific FIP will accomplish four important goals in the Uinta Basin.
 - First, the FIP would reduce VOC emissions from existing oil and gas sources.
 - Second, the FIP would be consistent with Utah's requirements for existing oil and gas sources on state land and create a level playing field for industry.
 - Third, given the current compromised air quality in the Uinta Basin, having enforceable restrictions in place to reduce emissions from existing sources will help industry demonstrate that new proposed sources will not cause or contribute to exceedances of the ozone standard, thus allowing new sources of emissions within the U&O Reservation.
 - Fourth, is to get emission reductions in the basin as soon as possible and in advance of a non-attainment designation process. Implementing the FIP to get VOC reductions sooner rather than later will help to make attainment by 2020 more likely, if the Uinta Basin is designated non-attainment.

From: Morales, Monica
Sent: Tuesday, June 07, 2016 4:19 PM
To: Rothery, Deirdre <Rothery.Deirdre@epa.gov>
Subject: FW: U&O FIP

Dee – Per Joan's request, please draft some TP for Janet to use. Thanks.

Monica S. Morales

Acting Director, Air Program (8P-AR)

U.S. EPA Region 8

1595 Wynkoop Street

Denver, Colorado 80202-1129

Phone: (303) 312-6936

morales.monica@epa.gov

From: Card, Joan

Sent: Tuesday, June 07, 2016 4:16 PM

To: Morales, Monica <Morales.Monica@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Garcia, Bert <Garcia.Bert@epa.gov>

Cc: Beeler, Cindy <Beeler.Cindy@epa.gov>; Dresser, Chris <Dresser.Chris@epa.gov>; Rothery, Deirdre <Rothery.Deirdre@epa.gov>

Subject: RE: U&O FIP

Monica, would you prepare some talking points for Janet to share with OMB when she requests an expedited review? I would think the main point is to accelerate public health protection, in advance of ozone designation, but in any event to mitigate high ozone in the Basin. You all know better than I! We would want to share these with Janet before OP sends to OMB.

Thanks, Joan

From: Morales, Monica

Sent: Tuesday, June 07, 2016 12:49 PM

To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Garcia, Bert <Garcia.Bert@epa.gov>

Cc: Beeler, Cindy <Beeler.Cindy@epa.gov>; Dresser, Chris <Dresser.Chris@epa.gov>; Rothery, Deirdre <Rothery.Deirdre@epa.gov>

Subject: RE: U&O FIP

Hi – I'm providing the update on the U&O FIP for Dee this week.

Chris and his Uinta Basin Team expect to send an updated rulemaking package to OP by COB, Wednesday (tomorrow). The Team will have addressed all of the comments from OGC, OP and OAQPS on the Regulatory Impact Assessment. Reviewers from OP believe that they should be able to send the rule along to OMB early next week (at the latest). Addressing the comments did not require any substantive changes to the rule; and Chris has gotten confirmation that OAR does not need to re-circulate the package through their front office.

Once the package is at OMB, is there someone (Janet?) who can request an expedited review?

Monica S. Morales

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morales.monica@epa.gov

From: Rothery, Deirdre

Sent: Thursday, June 02, 2016 2:42 PM

To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Garcia, Bert <Garcia.Bert@epa.gov>

Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>; Dresser, Chris <Dresser.Chris@epa.gov>

Subject: RE: U&O FIP

Hi everyone,

I wanted to provide an update on the status of the U&O FIP. While I was out of the office last week, folks here in the program worked their magic to produce an RIA with support from folks in OAQPS. This effort was no less than herculean, given the already staggering amount of work that has gone into this rule. The RIA was sent to OP, OAQPS and OGC for review, with comments due yesterday. We just got off of a phone call with the group of reviewers to discuss the comments received and how best to address each item. Our plan is to address all comments by COB Tuesday, 6/7, and then send the package back to OP. We are now close to being a month behind the schedule at the bottom of this email, which had the FIP being transmitted to OMB on 5/13. Let me know if you have any questions. Thanks, Dee

From: Rothery, Deirdre

Sent: Wednesday, May 18, 2016 11:59 AM

To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Garcia, Bert <Garcia.Bert@epa.gov>

Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>

Subject: RE: U&O FIP

Hi everyone,

Sorry for the multiple emails today, however, I wanted to provide you with an update based on the call we were able to set up with OP, OAQPS and Region 8 this morning. OP is still in the process of reviewing the FIP, however, we were able to have a discussion on the economically significant cost concerns. Based on the discussion, the FIP is economically significant, which triggers a full Regulatory Impact Analysis (RIA). It also triggers updates to many Executive Orders, since the rule is economically significant, there are different templates we need to use. One of the big items triggering the cost significance is the inclusion of the cost benefit for the methane reduction. We did not include the cost benefit for methane reduction in our rule, since we are not directly regulating methane, it is a co-benefit from regulating the VOCs. We are still assessing the workload and time associated with developing the additional RIA. The national NSPS that was just finalized has an RIA, which we will use as a starting point. OP is estimating another week or two to complete their review, at which time, we will have a better idea of the complete scope of their comments. In the meantime, we will look at the NSPS RIA and come up with an estimate for completing an RIA for this FIP. OAQPS has offered technical support to the program to complete the RIA. I have included the previously shared estimated schedule at the bottom of this email for your reference. Please note, these comments from OP are pushing us even further behind on the already aggressive schedule. Let me know if you have any questions.

Thanks,

Dee

From: Rothery, Deirdre

Sent: Wednesday, May 18, 2016 7:47 AM

To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Garcia, Bert <Garcia.Bert@epa.gov>

Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>

Subject: RE: U&O FIP

Good morning everyone,

OP has been working with their economists in reviewing the U&O FIP. I left a voice mail for my OP contact on Monday, late afternoon. He called back on Tuesday and recommended that I send an email to Bruce Schillo (technical contact in OP currently reviewing the FIP). I sent an email to Bruce on Tuesday requesting a call to further discuss their cost comments with the region and the OAQPS contact we worked with on the cost analysis. Bruce left me a voice mail yesterday afternoon indicating, based on OP's review, the U&O FIP exceeds the single year cost threshold of \$100 million. Bruce pointed to the Petroleum Refining Rule, promulgated in September, as an example. We are in the process of setting up a call to further discuss OP's findings, hopefully that will take place this week.

In the meantime, a letter was sent from Governor Herbert to Gina McCarthy, dated May 2, 2016. I am attaching the letter in case you have not already seen it. My understanding is that OAR has requested that OP hold off on moving the FIP forward due to the letter.

Let me know if you have any questions. Thanks, Dee

From: Rothery, Deirdre

Sent: Thursday, May 12, 2016 8:11 AM

To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Garcia,

Bert <Garcia.Bert@epa.gov>

Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>

Subject: RE: U&O FIP

Good morning everyone,

Ex. 5 - Deliberative Process

Thanks,

Dee

From: Rothery, Deirdre

Sent: Thursday, May 05, 2016 8:49 AM

To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Garcia, Bert <Garcia.Bert@epa.gov>

Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>

Subject: RE: U&O FIP

Hi everyone,

I reached out to OP today to check on the status of their review of the FIP. Their comments so far are on the Regulatory Flexibility Act (RFA) section related to some of the template language we used, which needs to be updated. We are working on addressing the RFA comments and will send them a revised version today. OP has not completed their review, however, they were hopeful based on what they had reviewed thus far, that they would be able to approve and

transmit the FIP to OMB early next week. As a reminder, OP has until 5/17 to complete their review. I will update you as I hear more from OP regarding their review and any additional comments. Let me know if you have any questions.

Thanks,

Dee

From: Rothery, Deirdre

Sent: Tuesday, May 03, 2016 8:48 AM

To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Schuller, Jennifer <Schuller.Jennifer@epa.gov>

Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>

Subject: RE: U&O FIP - timing

Hi everyone,

Sorry for the multiple emails. I received a question about the schedule moving forward, so I thought I would send you all the schedule as a reminder of where we are with this rule. The 5/13 date in the table was based on when OAR thought the FIP might go to OMB, so that is used as the start date in the table below. However, OP has up to 10 days to review the rule, so with the rule going to OP today, that would push the schedule out another 5 days, OP will have until 5/17 to review the rule. Also, please note, OMB may take up to 4 months to review a rule, the estimates below are in hopes we can expedite this rule.

Appreciate any and all help to expedite this rule in any way we can. Let me know if you have any questions. Thanks, Dee

Here is a best estimate of what we are looking at if OMB takes 45 days or 90 days to review the FIP:

Transmit to OMB

45 days at OMB

5/13/2016

90 days at OMB

5/13/2016

Complete OMB Review of Proposed FIP	(45 days) 6/27/2016	(90 days) 8/11/2016
Transmit Proposed FIP to OFR	(2 weeks) 7/11/2016	(2 weeks) 8/25/2016
Complete 45 Public Comment Period & Hearing	(45 days) 8/25/2016	(45 days) 10/9/2016
Complete Responses to Public Comments	(2 months) 10/25/2016	(2 months) 12/9/2016
Complete HQ Concurrence	(2 weeks) 11/8/2016	(2 weeks) 12/23/2016
Transmit to OP then to OMB	(2 weeks) 11/22/2016	(2 weeks) 1/6/2017
Complete OMB Review of Proposed FIP	(45 days) 1/6/2016	(90 days) 4/6/2017
Obtain Administrator Signature on Final FIP	(2 weeks) 1/20/2017	(2 weeks) 4/20/2017
Transmit Final FIP to OFR	(2 days) 1/25/2017	(2 days) 4/25/2017
Publish in FR	(2 weeks) 2/8/2017	(2 weeks) 5/9/2017

From: Rothery, Deirdre

Sent: Tuesday, May 03, 2016 8:12 AM

To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Schuller, Jennifer <Schuller.Jennifer@epa.gov>

Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>

Subject: RE: U&O FIP

Importance: High

Good morning everyone,

I just heard that Janet has signed off on the U&O FIP. OAR is packaging the rule and sending it over to OP today. Let me know if you have any questions.

Thanks,

Dee

From: Rothery, Deirdre
Sent: Friday, April 29, 2016 7:52 AM
To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Schuller, Jennifer <Schuller.Jennifer@epa.gov>
Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>
Subject: RE: U&O FIP

Hi everyone,

I just heard from OAR that they will be passing the RLSO version (which addressed Janet's most recent comments) of the FIP to Janet today and it should hopefully be heading to OP on Monday. I am not in the office today, but I will be monitoring email periodically in case anything comes up. Let me know if you have any questions.

Thanks,

Dee

From: Rothery, Deirdre
Sent: Thursday, April 28, 2016 4:43 PM
To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Schuller, Jennifer <Schuller.Jennifer@epa.gov>
Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>
Subject: RE: U&O FIP

Hi everyone,

I just sent a RLSO version of the FIP to OAR addressing all of Janet's comments. Once OAR is ok with how we addressed the comments, the FIP will move to OP. I will let you know as soon

as I hear an update on the timing of sending this to OP. OP has up to 10 days for their review before it heads to OMB. Let me know if you have any questions.

Thanks,

Dee

From: Rothery, Deirdre

Sent: Thursday, April 28, 2016 12:06 PM

To: Card, Joan <Card.Joan@epa.gov>; O'Connor, Darcy <oconnor.darcy@epa.gov>; Schuller, Jennifer <Schuller.Jennifer@epa.gov>

Cc: Morales, Monica <Morales.Monica@epa.gov>; Beeler, Cindy <Beeler.Cindy@epa.gov>

Subject: U&O FIP

Hi there,

I just received Janet's comments on the FIP. She has comments on only 15 pages (of the 133 in the document). The note on the top of the document says "Region 8 – Good job on this! I noted just a few things in the preamble." Looking through these comments quickly, I think they will be fairly easy to address, most are language edits. I am attaching her comments in case you are interested. We will work on addressing these edits and then moving the document to OP. Let me know if you have any questions.

Thanks,

Dee